



## California's Economy is Booming

At the June UCLA Anderson Forecast Conference, Tom Lieser, Associate Director from the UCLA Anderson Forecasting Project, announced that California's economy is booming. California is outpacing the nation in employment growth and in personal income growth. Last year, California's nonfarm employment grew by 3.4% (more than 425,000 jobs), and exceeded 4% during the last two quarters. The biggest job gains were seen in entertainment, tourism, high technology manufacturing and services, international trade, and agribusiness. The three-year projection (1997 through 2000) for new nonfarm jobs in California is 1.2 million. Personal income in California grew by 10% during the last quarter in 1996 and by 15% during the first quarter of 1997. Income growth for 1997 is projected to be close to 10% and the three-year forecast calls for a 6% gain annually.

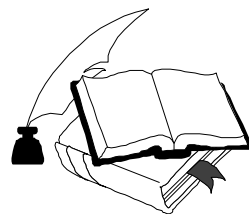
According to the Department of Finance, California's Gross State Product now exceeds the \$1 trillion dollar level. This is the first time any state has achieved this magnitude of economic output. The U.S. economy reached this mark in 1970.

On June 20, the State Employment Development Department released the latest information on the State's employment picture. May 1997 is the 19th consecutive month of record high employment in the State. California's unemployment rate dropped to 6.3% in May, down from 6.5% in April. It was 7.3% last May. The number of unemployed continues to decline, dipping below one million, the lowest in seven years.

## Revenue Anticipation Notes Update

On June 30, the State of California paid \$3 billion in principal plus all interest accrued to the holders of the 1996-97 Revenue Anticipation Notes (RANs). Please contact your bank or your broker regarding any payment due to you.

The State plans to issue another \$3 billion RANs in 1997 shortly after the budget is adopted. On June 5, the Treasurer's office held a conference call with underwriters in the State's underwriting pool. Participants in the call were provided information on the upcoming RANS sale. For the first time in recent history, the RANs will be sold in a competitive bid process. Public Resources Advisory Group will serve as financial advisor and Orrick, Herrington & Sutcliffe will serve as note counsel.



## 1997-98 State Budget Update

The proposed 1997-98 State Budget is currently being reviewed by the Legislature. Hot issues are welfare reform, education, criminal justice, employee pay raises, and pension funding.

Once the 1997-98 budget is passed, the State Treasurer, along with top officials from the Department of Finance, will meet with rating agency representatives to present the newly enacted budget. Shortly after the presentations, the rating agencies will either confirm the State's current credit ratings or release new

## Ask The State Treasurer

**Q:** I have a State of California bond that is registered in a custodian account that is due to mature within the next month. Whose Taxpayer Identification Number should I enter on the Form W-9 for tax reporting purposes, the custodian or the minor's?

**A:** Custodian accounts are established using the Taxpayer Identification Number of the minor. When submitting the maturing bond for redemption, please include a Form W-9 listing the Taxpayer Identification Number of the minor.

**Q:** The broker I deal with charges fees for many different purposes. I was wondering, does your office charge for services you provide?

**A:** The Treasurer's office does not charge bondholders for services provided. All routine services associated with interest payments, bond and coupon redemptions, certificate registrations, and account maintenance are provided free.



Do you have a question you would like to ask the Treasurer? Send it to the *Investor Relations Program* at P.O. Box 942809, Sacramento, CA 94209-0001.

## The Treasury Note Mailing List

If you would like to be on the mailing list to receive *The Treasury Note* monthly, please send your name and address to the *Investor Relations Program* at P.O. Box 942809, Sacramento, CA 94209-0001.

## Bond Sales Calendar

*If you are interested in purchasing any of these bonds, please contact your broker about two weeks before the sale date. For updated information regarding upcoming sales, please contact the State Treasurer's office at (916) 653-3243.*

BOND SALES	AMOUNT (in millions)	SALE DATE
1997-98 Revenue Anticipation Notes	\$3,000	Summer 1997
General Obligation	\$700-1 Billion	Summer 1997
California State University Headquarters Building Authority	\$35-40	Fall/Winter 1997
Oakland State Building JPA	\$175	Fall/Winter 1997
Riverside County 4th District Court of Appeals	\$13	Fall/Winter 1997
State Public Works Board, California State University	\$163	Fall/Winter 1997
State Public Works Board, California Museum of Science and Industry	\$36	Fall/Winter 1997
State Public Works Board, University of California	\$147-222	Fall/Winter 1997

**\*Subject to change without notice**

## Listing of Redemptions

*This listing reflects redemptions officially announced as of July 1, 1997. These bonds will be redeemed on August 1, 1997.*

**Veteran General Obligation Bonds, 1990BA (Partial Redemption)**

\$4,950,000, due February 1, 2010 will be redeemed.

**Veteran Revenue Bonds, 1991A (Partial Redemption)**

\$1,810,000, due August 1, 2002 will be redeemed.

**California Housing Finance Agency – Home Mortgage Revenue Bonds, 1985A (Full Redemption)**

\$1,690,000, due August 1, 2017 will be redeemed.

**California Housing Finance Agency – Multi-Unit Rental Housing Revenue Bonds, 1992A (Partial Redemption)**

\$250,000, due February 1, 2024 will be redeemed.

**California Housing Finance Agency – Multi-Unit Rental Housing Revenue Bonds, 1994A (Partial Redemption)**

\$250,000, due February 1, 2025 will be redeemed.

*If there are any questions regarding the purpose or timing of these calls, please call (916) 653-3451. For redemption or registration information, please call (916) 653-2884.*

## Attention Registered Bondholders:

The State Treasurer's office is planning to implement an Electronic Fund Transfer (EFT) program for bond interest payments. If you would be interested in receiving your interest payments via EFT, please call (916) 653-2884.